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***I n t e g r i t y - S e r v i c e - E x c e l l e n
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Performance Based Services Acquisition *Performance Work Statements*



**Date: 14 April 2006
POC: Don Miller
Base: 55 CONS, Offutt
AFB**



Overview



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- **Objectives**
- **Development Process of the Performance Work Statement (PWS)**
- **Elements of the PWS Format**
- **Summary**
- **References**



Objectives



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- **Identify the development process of the PWS**
- **Identify the elements of the PWS format**



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Development Process of the Performance Work Statement (PWS)



- **AFI 63-124 requires the PWS “comply to the maximum extent practicable with the terms & conditions of the commercial marketplace as identified through market research”**
- **Emphasis of performance-based acquisitions is describing reqm'ts in terms of end result(s) not in terms of how to accomplish reqm'ts**



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Development Process of the Performance Work Statement (PWS)



■ **Benefits of Performance-Based Requirements**

- Reduced contract prices
- Improved contractor performance
- Measurable performance requirements
 - Clearly defined
 - Leaves no question as to whether a contractor has met reqm't



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Development Process of the Performance Work Statement (PWS)



■ **Benefits of Performance-Based Requirements (cont.)**

- Contractor flexibility
 - Contractor can change processes in response to changing environment without contract modification
- Decreased surveillance
 - Review contractor provided data/metrics
 - Evaluate end results
- Contractor innovation
 - Incentivizes contractor to streamline processes, reducing costs



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Development Process of the Performance Work Statement (PWS)



■ **Process vs. Performance-Based Methodology**

- Process methodology: Reqm'ts described in terms of processes or tasks
 - Gov't instructs contractor when, where, how, and how many
 - Does not address desired end result
 - Quality assurance is labor intensive
- Performance-based methodology: Reqm'ts described in terms of end result
 - Contractor complies with commercial standards
 - Contractor provides labor mix & skill set solutions to fulfill reqm't
 - Relies on contractor quality control plan--"Trust-but validate"



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AIR FORCE FOOD SERVICE

Process Methodology

- Personal Hygiene
- Health Exams
- Food-borne Disease Test
- Equip & Utensil Cleaning
- Food Prep Equip Cleaning
- Serving Equip Cleaning
- Dining Area Equip Cleaning

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Performance-Based Methodology

- Comply with FDA Food Code which results in a satisfactory or better rating in Health Inspections



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Development Process of the Performance Work Statement (PWS)



■ **Elements of Performance-Based PWS**

- Requirements are “outcome-based”
- Requirements include clear, unambiguous, and measurable performance thresholds
- Surveillance methods are consistent with standards



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Development Process of the Performance Work Statement (PWS)



- **Developing a Performance-Based Requirement**
 - Conduct an outcome analysis to identify performance objectives
 - Conduct performance analysis to identify performance thresholds for each objective
 - Capture objectives and thresholds in Services Summary (SS)
 - Foundation for both PWS and Performance Plan (PP)

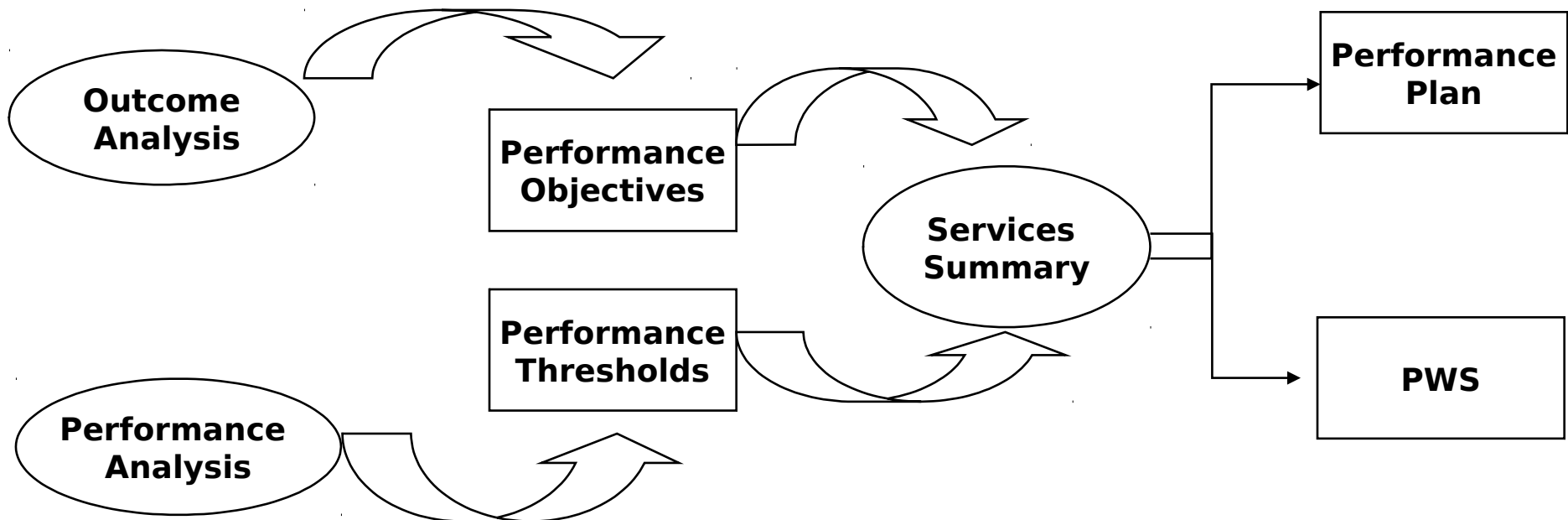


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■ **Developing a Performance-Based Requirement**





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■ **Outcome Analysis**

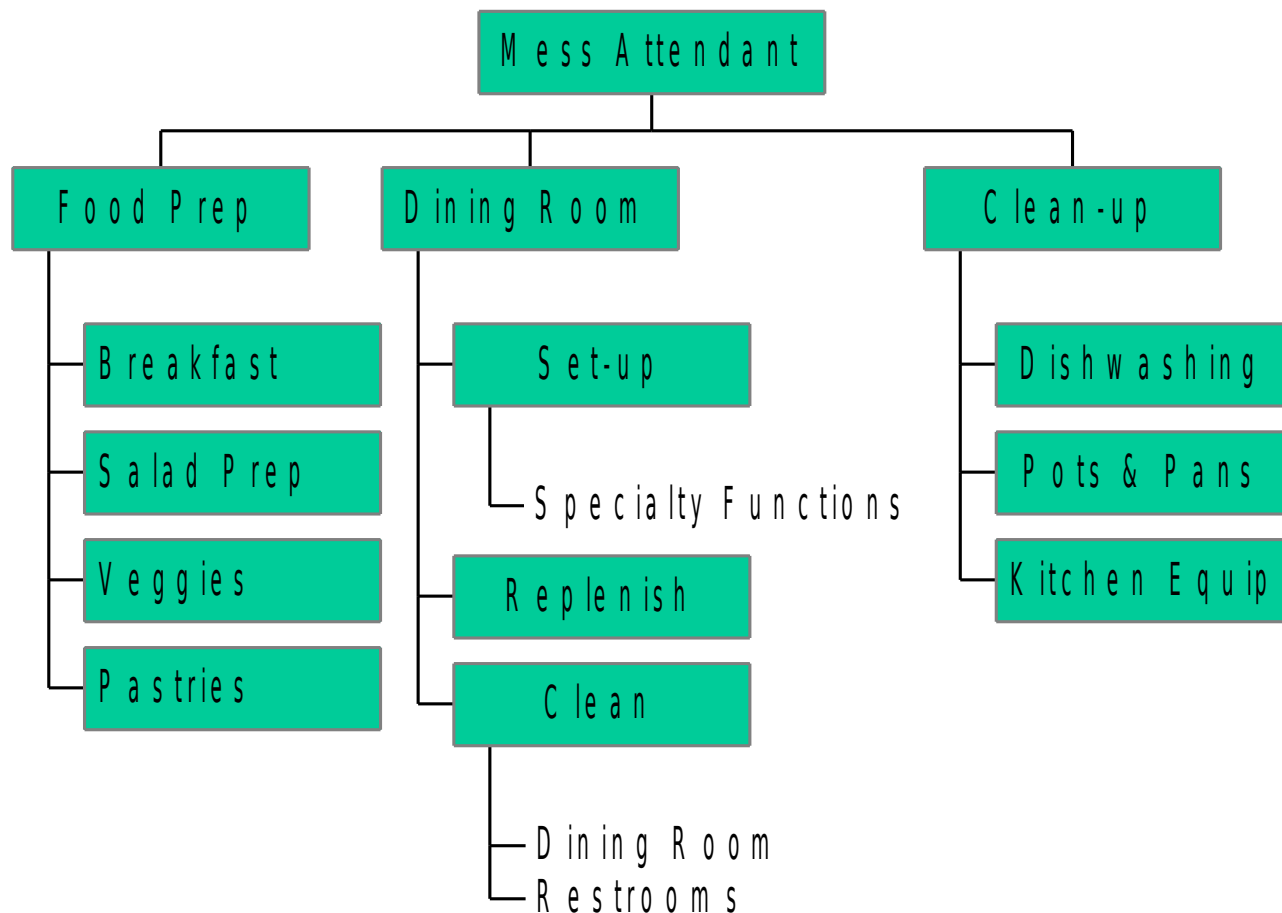
- Identifies performance objectives
 - ➔ Services needed defined in terms of output/outcome required
 - ➔ Breaks down work into its lowest task level and links into logical flow
- Only include outputs in PWS if the contractor would not reasonably know what output is required in order to achieve desired results
 - ➔ Tree diagrams help visualize reqm't and determine which outcomes need to be specified in the requirement



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■ Outcome Analysis-Tree Diagram





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■ **Performance Analysis**

- Performance analysis assigns thresholds to each objective
- Performance objectives establishes performance level required
 - Percentage of required conformance to objective
 - Number of deviations from objective allowed
 - Must be realistic
- Thresholds should rarely be 100% or “zero deviations”
- Thresholds that are too low are a disincentive to good contract performance



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■ **Performance Objectives & Thresholds**

- Performance objectives & thresholds may be industry-wide standards or developed by the agency
- Agency standards should have industry input to ensure they are realistic and effective
- Use of commercial standards reduce cost and oversight
- Consider how surveillance will be conducted when establishing thresholds



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■ **Services Summary (SS)**

- Performance objectives and thresholds are incorporated in the SS which in turn is incorporated in the PWS
- SS should capture the overall requirements at the outcome level
- Performance objectives are based on desired outcomes, not tasks
- SS identifies objective, references PWS specifying requirement, and indicates threshold



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■ Services Summary (SS)

<u>Performance Objective</u>	<u>PWS para</u>	<u>Performance Threshold</u>
Prepare food IAW recipe cards	1.3.	95% of menu items/meal period
Comply with Food Code which result in SAT or better rating during Health inspections	1.3.1 1.3.3 1.3.3.1	100% of the time
Timeliness of service and courteousness of employees	1.3.4	90% of monthly meal periods
Maintain facility interior & exterior in clean/sanitary condition	1.6	85% of the days in the month



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Development Process of the Performance Work Statement (PWS)



■ **Historical and Projected Workload Data**

- Historical and projected workload data should be included to incorporate surge and other requirements
 - Allows contractor to forecast manpower and supplies needed to accomplish requirement
- Workload data is often available from existing agency management information, sampling, or on-the-job observation
- If reqm't significantly changes and there is a cost impact, the contractor or Gov't may be entitled to an equitable adjustment



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Development Process of the Performance Work Statement (PWS)



■ Historical and Projected Workload Data

<u>L/I</u>	<u>Description</u>	<u>Estimated Quantity</u>	
1	Inspect and test elevators	_____	Ea
2	Number of (Elevator X - List each type of separately)	_____	Ea
3	Number of (Elevator Y - List each type of separately)	_____	Ea
4	Number of (Elevator Z - List each type of separately)	_____	Ea
5	Estimated # of repair service calls per year	_____	Ea
6	Estimated # of emergency repair service calls per year	_____	Ea



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Elements of the Performance Work Statement (PWS)



■ **PWS Characteristics**

- Multi-Functional Team (MFT) works together to:
 - ➔ Define the requirements (objectives)
 - ➔ Incorporate commercial practices
 - ➔ Establish desired performance levels (thresholds)
- Write PWS using precise terms and clear, concise wording
 - ➔ Abbreviations and acronyms must be defined the first time used
 - ➔ Ambiguous words & phrases should not be used
 - ➔ PWS' should contain consistent language



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Elements of the Performance Work Statement (PWS)



■ **PWS Characteristics (cont.)**

- Express outputs in clear, concise, commonly used, easily understood, measurable terms
- Do not include detailed procedures dictating how work is to be accomplished in the PWS
- Develop acquisition milestones
- Recommend issuing draft PWS to facilitate industry feedback
 - ➔ Draft PWS may evolve as a result of industry comment and market research data



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Elements of the Performance Work Statement (PWS)



■ **Format for a PWS**

- AFI 63-124 states a PWS, at a minimum, includes (in order):
 - ➔ 1. Description of Services/General Information (definitions, etc)
 - ➔ 2. Services Summary (SS)
 - ➔ 3. Gov't Furnished Property (GFP) and Services, if applicable
 - ➔ 4. Appendices (workload estimates, square footage, etc.)



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Elements of the Performance Work Statement (PWS)



■ **Format for a PWS (cont.)**

- Description of Services/General Information
 - Description of Services/General Information narrates the specific requirements
 - Defines things contractor would not know from outcome alone
- SS follows to summarize the requirements and performance thresholds
 - Foundation of requirement, identifies outcomes
 - SS should be developed first



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Elements of the Performance Work Statement (PWS)



■ **Format for a PWS (cont.)**

- Gov't Furnished Property & Services
 - ➔ Indicate from whom and when the property will be provided to contractor
 - ➔ Issues with GFP may not be completely addressed in FAR clauses, additional information may need to be provided in PWS
- Appendices
 - ➔ Appendices include workload estimates, maps, GFP listings
 - ➔ If publications are listed, identify specific paragraph or chapter
 - ➔ CDRLS should not be listed as an appendix (DFARS 204.7105) but as separate exhibits



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Elements of the Performance Work Statement (PWS)



■ **Citing AFIs, Publications, and Forms in the PWS**

- AFI 63-124 requires all referenced directives be cited by specific paragraph/chapter rather than entire publication if entire publication is not applicable
 - ➔ Example citation: *“The food service contractor shall ensure only authorized individuals are served IAW AFI 34-241, para 1.1.”*
- Preferred method of incorporating gov’t publications is to write the requirement in Description of Services/General Information
- Don’t include publications that duplicate federal, state, or local laws



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Elements of the Performance Work Statement (PWS)



■ Citing AFIs, Publications, and Forms in the PWS (cont.)

➤ Cited publications may also be included in Appendices:

<u>Publication No.</u>	<u>Name</u>	<u>Date</u>	<u>Applicable Para</u>	<u>PWS Reference</u>
AFI 34-239	Food Svc Mgt Program	05/01/98	1.1, 1.2, 1.6, 1.7, 3.1, 3.2	1.3.1.1
AFI 48-116	Food Safety Program	07/19/94	2.14, 2.15, 2.16	1.3.1.2
AFMAN 34-240	Food Svc Program Mgt	04/01/98	1.2, 1.3, 1.5, 1.7, 1.8, 1.13	1.3.1.3



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Elements of the Performance Work Statement (PWS)



- **Citing AFIs, Publications, and Forms in the PWS (cont.)**
 - If contractor is responsible for updating publications, PWS must indicate how contractor obtains updates and timeframe required to implement changes
 - PWS also must indicate that it is contractor's responsibility to inform CO of any increases/decreases due to changes



Summary



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- **Define requirements in clear, concise language identifying specific work to be accomplished**
- **Describe the work in terms of “what” (end result) rather than “how” (processes)**
- **Enable assessment of performance against measurable performance standards**
- **Use measurable standards and incentives to encourage innovation and cost-effective methods of performance**
- **Cite publications by specific paragraph/chapter, referencing only needed portions**



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Additional References

- **FAR 37.6, Service Contracting, Performance-Based Acquisition**
- **AFI 63-124, Performance-Based Services Acquisitions (PBSA)**
- **SAF/AQC Contracting Website, AFFARS Library, PBSA Training, “Seven Steps to Performance-Based Services Acquisition,” at <http://www.arnet.gov/Library/OFPP/Best Practices/pbsc/index.html>**
- **Quality Assurance Program Coordinator Study Guide/Workbook, Block I, Unit 7**